

**UNITED STATES HOUSE OF REPRESENTATIVES
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
SUBCOMMITTEE ON RAILROADS, PIPELINES, AND HAZARDOUS MATERIALS**

**HEARING: AMERICA BUILDS: EXAMINING AMERICA’S FREIGHT AND
PASSENGER RAIL NETWORK
January 23, 2025**

**WRITTEN TESTIMONY OF MR. CHUCK BAKER, PRESIDENT OF THE AMERICAN
SHORT LINE AND REGIONAL RAILROAD ASSOCIATION (ASLRRA)**



Thank you for the opportunity to testify to this subcommittee as you examine America’s freight rail network and discuss the future of rail infrastructure funding in America and how America builds.

My name is Chuck Baker, and I am the President of the American Short Line and Regional Railroad Association (ASLRRA). Our association represents over 600 Class II and Class III small business freight railroads across the nation. These railroads, commonly referred to as short line railroads, are the essential "first-mile, last-mile" lines of the freight rail network.

Industry Overview

The short line industry is a great American success story. It is a story about entrepreneurs taking financial risks to purchase and preserve 50,000 miles of rail line, most of which was headed for abandonment; about keeping rural and small-town shippers connected to the national railroad network; about small businesses investing a huge portion of their revenue to improve the efficiency and safety of aging railroad infrastructure. For decades, the Members of this Subcommittee have devoted the time and effort needed to understand our industry and have been the leading congressional advocates for public policies that have allowed short lines to do what they do best. We are truly grateful for that effort and look forward to continuing opportunities such as this hearing today to participate in your deliberations.

For those new to this Subcommittee let me briefly describe our industry. Short lines are small businesses: the typical short line employs about 30 people, operates about 80 route miles, and earns about \$8 million in annual revenue. Our significance is not our size but who and where short lines serve. For large areas of rural and small-town America short lines are the only connection to the national rail

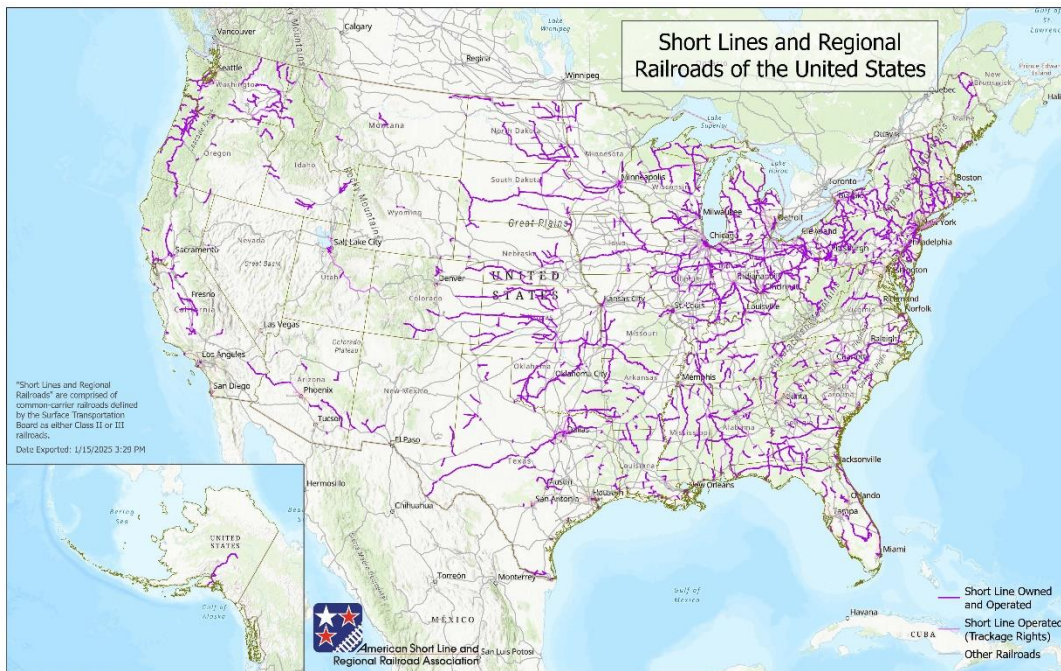
network, or as we call it, the first mile/last mile in the freight rail supply chain. As any short line shipper will tell you, “You can’t get there from here without short line service.”

The short line industry as we know it is the product of the Staggers Act of 1980, which made the sale of light-density branch lines from Class I railroads to local entrepreneurs possible, thankfully avoiding the abandonment of those lines and the ripping up of their track for scrap. These lines were spun off by the Class 1 network for a reason: they weren’t profitable, were burdened with decades of daunting deferred maintenance, and had a declining customer base.

To bring these businesses back from the brink, small railroads had to be scrappy and smart and make a huge commitment to their local communities. They would knock on every door they could find, bend over backwards for every existing and possibly new customer, put family members to work, find used locomotives, and look for assistance when possible. They invest up to a third of their annual revenues back into maintaining and upgrading that infrastructure that they often inherited in tough conditions, making short line railroading one of the most capital-intensive industries in the country.

That investment combined with the flexibility and customer-focused service that new local ownership provided allowed short lines to revive these marginal lines, turning them into small but thriving enterprises that preserve service for more than 10,000 customers and local jobs for thousands of employees. America’s 600 short line railroads now manage one-third of the national freight rail network and touch in origination or destination one-fifth of all carloads moving on that national network. Together, short lines operate in 49 states, are tied to 478,000 jobs nationwide, \$26.1 billion in labor income and \$56.2 billion in economic value-add¹—providing a service that over 10,000 businesses and countless farmers and agricultural co-ops nationwide rely upon to receive their raw materials and get their products to market.

¹ The Section 45G Tax Credit and the Economic Contribution of the Short Line Railroad Industry, prepared by PWC for ASLRRRA (2018).



As you will note from the map above, almost every Member of this Subcommittee has one or more short lines operating in their district, and in many cases these short lines are one of the significant businesses in their town. I am particularly pleased to note that Congressman Westerman has 15 short lines in his district, more than any other Congressman in the country. He has visited many of these properties and is well acquainted with short line operations and economics. For those who want to learn more about short lines, he's your guy.

The next Surface Transportation Reauthorization bill will impact railroad transportation for years to come and I am grateful for today's opportunity to share policy priorities that are top of mind for the short line industry. I believe these priorities will help America build and we are very eager to do our part.

Surface Transportation Reauthorization Priorities for the Short Line Rail Industry

1. Short Lines and Transportation Grant Programs

Consolidated Rail Infrastructure and Safety Improvements Program

In 2015 Congress created the Consolidated Rail Infrastructure and Safety Improvements Program (CRISI) to invest in projects that improve railroad safety, efficiency and reliability for both freight rail and intercity passenger rail. Unlike other federal rail infrastructure grant programs that only provide eligibility for public applicants, Congress made short line railroads directly eligible applicants for CRISI. This was hugely beneficial for the program and for short lines because it streamlined the application process, made for better alignment between available project funding and project outcomes, and allowed short lines to better compete with well-funded larger entities with more publicly prominent projects. The result is that short lines have become one of the major classes of grant awards in the CRISI program. Since the program was enacted, some 240 CRISI grants have been awarded that benefited short lines,

totaling over \$2.7 billion. In the most recent round of CRISI awards short lines garnered 81 of the 122 projects awarded totaling \$1.29 billion, about half of the \$2.48 billion in total awarded funds.

Significantly, these federal funds were typically matched anywhere from 20% to 80% by local and private sector funds – drawing in non-federal monies that otherwise would not have been forthcoming for these improvements. It is worth noting that virtually every one of these short line CRISI applications received one or more letters of support from individual Members of Congress, both Democrats and Republicans, including most of you. It is a welcome bipartisan development in an era of increasingly intense partisanship.

CRISI grants provide six important benefits for short line railroads and for the communities and customers they serve.

1) Tackling the Biggest Problems – As a college basketball fan if I might be permitted a March Madness reference, CRISI projects are most often those “on the bubble” —on the cusp of making the cut but not quite there. Railroad rehabilitation is extraordinarily expensive and the most needed projects are on the bubble because short line revenues are often not sufficient to complete the job. Again, there is a reason these lines became short lines in the first place. For instance, replacing lightweight jointed rail with new heavier welded rail costs hundreds of thousands of dollars per mile and there are limited operating and safety benefits if only a few miles a year can be completed. Bridges are especially important bubble projects. Short lines operate over many of the oldest railroad bridges in the country, some built over a century ago. Replacing or repairing a bridge, be it a highway or railroad bridge, is an expensive proposition. The federal and state governments spend huge sums of public money on highway bridges, but short line railroads have never had access to that kind of public money. Today CRISI is providing short lines the last dollars needed to get important projects off the bubble. These types of projects can be transformational for the future of a short line the communities and customers it serves and just simply wouldn't be possible without CRISI.

2) Safety – Every dollar invested in improving rail infrastructure is a dollar invested in rail safety. Better tie conditions, newer rail, and rehabilitated bridges reduce derailments, making rail transportation safer for short line employees and for the communities they serve. For short lines, the biggest causes of derailments are simply worn-out track, i.e., broken rail and wide gauge. The best way to address that is simply to invest in the track, which is exactly what CRISI funds do. It's not complicated, it's not controversial, and it works.

3) Jobs – Short line railroads are small businesses that hire outside contractors for most capital investment projects, making CRISI an engine for job creation, which is particularly impactful in the rural and small-town areas we serve. Whether these are short line jobs or contractor jobs, they are good blue-collar family-wage American jobs that can never be taken overseas. Upon project completion, better rail leads to better more efficient transportation service, attracting new volume and new customers to rail, creating additional new jobs. It's a virtuous circle.

4) Environment – The environmental advantages of moving freight by rail are well documented. Upgrading track and bridges to handle the industry-standard 286,000-pound cars, building new sidings and yards to meet increasing customer demand, and reducing bottlenecks that create inefficiencies all contribute to diverting truck loads to railcar loads. That diversion reduces harmful emissions due to rail's inherent fuel efficiency advantages. CRISI can also provide funds for upgrading old locomotives to allow

short lines to get even cleaner than we already are – this is particularly helpful in communities with significant residential development close to rail yards, and short lines are committed to being good neighbors in their communities.

5) Economic Development – Funding economic development in rural areas is a challenge. Existing businesses are relatively small, and transportation infrastructure is often inadequate. Short lines are using CRISI grants to expand capacity, improve rail connections to existing industries, and develop industrial parks that can attract additional businesses to the area. South Carolina’s Lancaster and Chester Railroad’s 2021 CRISI rehabilitation project elicited what is an oft-repeated refrain from an economic development official in their area: *“Over the last 11 years, Chester County has attracted over \$3 billion in new industrial development creating almost 4,000 new jobs. This opportunity is a direct result of having the L&C railroad as our partner.”*

6) Improving Service to Customers – Short line shippers are the ultimate beneficiaries of improved railroad service. There are thousands of those shippers, the majority of which operate their businesses in rural and small-town America where efficient and reliable transportation is the life blood of their business. A short line railroad is often their only connection to the national railroad system and CRISI grants are making those short lines a more efficient and competitive part of their transportation supply chain.

Attached to my testimony is a CRISI Project Addendum that provides a brief description of completed short line CRISI projects, including project costs, scope, and benefits. This is a work in progress as we endeavor to collect this information as each short line completes a project and we will continue to forward the updated list to the Subcommittee as the information is compiled.

As you will note, these are not splashy high-profile projects that capture public attention. Few Americans know what continuous welded rail is and why it is so important in reducing derailments, or why short lines can’t interchange traffic with Class I railroads if the track can’t handle 286,000-pound railcars. But these are real benefits that create the foundation for preserving and growing short line railroad service. Likewise, the benefits garnered by shippers may not appear extraordinary. Increasing carload volume by 25 carloads a year, getting 500 feet of new track to handle a longer train, reducing freight transit times by 5 hours, eliminating a derailment --these are not eye-popping numbers but are the things that lower a shipper’s transportation costs and that is the foundation of success for these small businesses.

Support for Advance Appropriations

CRISI is critical to upgrading short line infrastructure and enabling major projects. To do that effectively, to help America build, funding must be both robust and predictable.

Current CRISI funding levels are \$1 billion per year in advance appropriations through Fiscal Year 2026, with up to an additional \$1 billion per year possible through discretionary appropriations. Maintaining or expanding these funding levels is a top priority for short lines.

The advance appropriations provided in the current surface transportation reauthorization bill created funding stability and predictability that has been particularly important for the short line community and rail shippers nationwide.

Short lines are small businesses with limited human and financial resources. The grant application process is time consuming and, to be competitive, requires significant up-front investment by applicants. For example, for more complex projects, costly engineering work must be conducted to assemble a competitive project scope and budget that can demonstrate project readiness. Short lines must also marshal committed matching funds of at least 20%, but often up to 50% to be competitive with larger applicants. The annual appropriations process is always uncertain and that uncertainty makes it difficult for applicants to start those upfront activities until they know if there will be adequate resources for which to compete. If the program maintains funding stability as provided by advance appropriations, these small businesses can take steps to set aside these resources over time that they must provide to compete for and receive the federal funds. In short, advance appropriations allows the federal investment to be much more effective and meaningful. If the next surface transportation reauthorization bill were to authorize CRISI but not provide any advance or guaranteed appropriations, that would be a step backwards.

Protect CRISI's Ability to Bolster the Freight Rail Network

Congress has been eager to collaborate and work in a bipartisan way to strengthen CRISI and other programs important to short lines, and we are appreciative of the commitment. We believe these programs can be further improved.

ASLRRRA discourages set-asides within CRISI for passenger rail projects or expansions of the program to include major new eligible applicants such as commuter railroads. With so many challenges facing our freight supply chain, short lines need to remain viable competitors for these limited funds. While we have no opposition to passenger rail, there are other federal grant programs which provide passenger rail applicants with funding levels that dwarf CRISI.

Likewise, commuter rail already has access to substantial, well-established, and dedicated funding programs administered through the Federal Transit Administration, such as formula funding and the Capital Investment Grant program. Commuter entities are also eligible for department-wide competitive grant programs, like Mega and RAISE.

By contrast, CRISI is essentially the only federal grant program for which short lines are a viable competitor. We also note that short line projects provide an excellent bang for the federal buck and tend to produce meaningful results quickly with comparatively modest federal investment. Short lines can take small federal investments and start building right away.

Speed

Simply put, CRISI projects need to move from announcement to obligation to completion faster than they currently do. For almost all short line projects, most of which are quite simple in the context of infrastructure investments, this would result in better outcomes for the public, for short lines, for communities, and for shippers with no additional risk, and would help avoid the significant cost escalation associated with delay.

Whether it be through batch processing of NEPA categorical exclusions, more aggressive use of pre-award authority to allow projects to get going immediately upon award, the blunt instrument of just

setting deadlines for agency processing, or all of the above, Congress can and should insist that this process move faster. In our experience, FRA agency staff would similarly agree that the process should move faster, but nevertheless in the real world the process remains unnecessarily slow. It may be unrealistic to expect government to move at the speed of business, but let's give it a shot.

Increase Transparency across the Grant Lifecycle to Enable Benchmarking and Process Improvement

Congress could require that FRA file regular reports on the status of processing grants, from award notification through obligation to closeout, to the transportation authorizing and appropriating committees. This data would be important to help stakeholders understand how long it takes the agency to move through the process for each award to achieve grant obligation and begin work and would create pressure to move the process faster. This has been required intermittently in appropriations legislation, but the agency has not regularly provided timely reporting. This could include key milestones of approval of pre-award authority, if applicable, and approval of the environmental decision document for the project. This could begin immediately through administrative action, followed by Congressional action to make the requirement enduring. As Peter Drucker's famous business saying goes, "What gets measured gets managed," and this process would encourage quicker and more consistent grant processing.

Prohibit Agencies from Integrating Policy Requirements into Grant Programs with No Basis in Law

Congress could prohibit U.S. DOT from establishing policy requirements that are not in law as conditions for grant awardees to achieve obligation. DOT NOFOs now routinely integrate "Administrative and National Policy Requirements" that can impose costly and burdensome requirements on grant recipients. Most of these have no basis in law and can condition achieving grant obligation on satisfaction of the requirements. This step could be taken immediately through administrative action, followed by Congressional action to make the requirement broad and enduring.

Improve Elements of the National Environmental Policy Act Process

Short lines are an environmentally friendly way to move goods. We encourage efforts to ensure National Environmental Policy Act (NEPA) requirements reflect this sustainable way to move freight and do not undermine it.

Specifically, we believe there could be room within USDOT's NEPA implementing regulations to expand definitions of selected categorical exclusions (CEs) without risking significant environmental impacts.

One area is for bridge rehabilitation projects and for construction of smaller railroad facilities. The definitions for these CEs have some fixed elements – such as ground coverage and watercourse definitions – that could be adjusted to grant the agency more discretion and flexibility to make its class of action determination. The definitions built into these CEs have arbitrary elements that can force certain projects into costlier and more time-consuming environmental assessments than are justified by the environmental impacts of the project. We encourage USDOT and FRA to explore their regulations in this area and seek to increase their flexibility.

We appreciate the efforts of USDOT, and especially FRA, to continue to standardize their NEPA review procedures and to improve the guidance and documentation they provide to grant applicants.

Clarification of guidance documentation is helpful, as is the provision of clearer guidance on analyses and permitting requirements associated with different environmental impact areas. Examples of environmental impact area analyses products or awarded permits can be especially helpful to applicants and awardees that are new to NEPA. NEPA compliance is a complex topic. The provision of better information to applicants on exactly what needs to be done and when during pre- and post-award period can reduce delays in getting to grant agreement. FRA's grant and environmental specialists have done extensive outreach to the short line community on NEPA topics, including through participation in ASLRRRA conferences and webinars, reaching many hundreds of short line railroads. We greatly appreciate these outreach efforts and look forward to continuing educational collaboration and dialogue with FRA on these topics under the new Administration.

2. Modal Equity With Trucks

Railroads compete fiercely with trucks to move America's freight, which is as it should be. In our view, there would be tremendous public policy benefits to the country if more freight would move by rail: safety, as rail is 3-20x safer than trucking depending on what is being measured; congestion reduction, as one train can keep hundreds of trucks off the road; taxpayer savings, as heavy trucks produce a disproportionate share of highway damage; and environmental benefits as railroads are widely recognized as the cleanest way to move freight over land.

Given that, public policies that support freight rail make sense for Congress to consider. But at the very least, we ask that Congress not drive policy the other direction and further shift freight to trucks.

Highway Trust Fund - Restore the Highway Trust Fund (HTF) to a true user-based system.

Since 2008, the Highway Trust Fund has received a stunning \$275 billion from the U.S. Treasury's general fund to cover shortfalls. That's more than a quarter of a trillion dollars. This is a gigantic subsidy to our biggest competitor.

Congress should require that the FHWA finalize the cost allocation study required in the last reauthorization. This will give needed insight into the damage to our nation's roadways caused by each user class. Congress should then devise and implement a user fee for the HTF that accounts for proportional damages caused by different weights of vehicles.

Truck Size and Weight – Do Not Make the Problem Worse

The existing 80,000-pound trucks on our interstate system already don't cover the full cost of their infrastructure damage. Increasing the size and weight of those trucks would make the problem worse and have negative consequences for both the short line railroad industry and the public. It would shift freight from rail to trucks, resulting in more trucks on our nation's highways, more congestion and wear and tear, more pollution, and more deadly crashes. There were already more than 40,000 fatalities on U.S. roads last year – that's already far, far too many without adding bigger and heavier trucks into the mix.

As noted above, small railroads are largely privately-owned, and they reinvest 25% to 33% of their annual revenue maintaining and improving their capital-intensive infrastructure. Trucks enjoy the inherent advantage of operating over publicly subsidized highways, while underpaying for the damage to

roads and bridges they cause. This problem would be further exacerbated by heavier and longer trucks, which cause significantly more damage to public infrastructure. All of this occurs as fuel taxes and user fees have consistently proven insufficient to fully fund the HTF, and general fund taxpayer dollars are increasingly applied to road projects. Consequently, as taxpayers we are not only paying for our own infrastructure, but also that of our competition.

Public opinion polls have also shown year-after-year that the public does not feel safe with larger trucks on the highways. One poll conducted by the Coalition Against Bigger Trucks found that 7 in 10 respondents were opposed to increases in length and weight. The Truck Safety Coalition publishes a record of decades of polling on the topic, with some polls showing up to 88% of Americans opposed to bigger and heavier trucks on the highways.

The short line industry is part of a broad coalition of cities, counties, municipalities, first responders, labor organizations, and highway safety groups. Together, we have repeatedly urged Congress to refrain from wholesale or incremental changes disguised as pilot projects and waivers to truck size and weight, and we renew that call today.

3. Rail Safety Regulations

As any new regulations are considered for what is already a highly regulated industry, we urge that they be focused on solving actual safety problems and be practical for small business short line railroads to implement. Further, we encourage Congress to be aware of unintended consequences to broader transportation safety - when regulations increase the cost of freight railroading or degrade freight rail service, they risk shifting freight traffic from the largely privately funded and safer rail network to the largely publicly funded and less safe highway network. Short lines can only thrive if our mostly small business entrepreneurs are given the flexibility and discretion to run their railroads in a manner that is safe, customer-focused, and still cost-effective. And as noted previously, for short lines the biggest risks of derailment come from worn out track and the best way to address that is simply to invest in the track, which is exactly what CRISI does.

4. Continued Federal Support for Grade Crossing and Trespasser Safety Issues

By far, the most significant areas of rail safety related to interactions with the public are grade crossing accidents and trespasser issues. An industry and government-supported effort, Operation Lifesaver, focuses on educating the public both about the importance of staying off railroad tracks and the need for passenger and commercial vehicle drivers to exercise caution at grade crossings. The federal government has been an important participant in these efforts, largely through the FHWA Railway-Highway Crossings Program, known widely as the "Section 130" Program. This program significantly improves grade crossing safety by providing funding to improve grade crossing protection equipment. More recently, the Rail Crossing Elimination program has also been successful in providing options for communities to close unnecessary crossings.

Conclusion

As I indicated at the outset, it was provisions of the 1980 Staggers Act that created the potential to create short line railroads as an alternative to rail line abandonment. No current Member of the House of Representatives was in office in 1980 so there is little institutional memory of how economically damaging railroad abandonment was for communities across the country, and how vociferously

Members of Congress opposed every abandonment in their district because it severed a vital transportation link for the communities and businesses they represented. A search of the term “rail line abandonment” in the pre-1980 *Congressional Record* would return countless House Floor speeches detailing the harm and urging the then Interstate Commerce Commission, now the Surface Transportation Board, to oppose abandonment petitions. Today, abandoning a rail line is a rarity and it is taken for granted that the 50,000 miles of light density rail no longer operated by the Class I railroads are securely in place.

But the fact is short lines still face challenging economics that jeopardize that security. They operate over aging infrastructure which received little or no capital investment from its previous owners and which requires investing between 25% and 33% of revenues to maintain track and bridges required to handle modern freight cars, remove bottlenecks, increase capacity and improve safety. Even still it is estimated that there is a backlog of more than \$12 billion of improvements still to be completed, a heavy lift for an industry that earns just 6% of the revenue of the total U.S. freight railroad industry. The programs and policies discussed above have played a very important role in the short line industry’s ability to meet these challenges and we urge that they be continued as you write the country’s next surface transportation bill.

Thank you for your time and consideration.

Respectfully submitted,
Chuck Baker
President, ASLRRRA
January 21, 2025

**U.S. House Committee on Transportation & Infrastructure
Subcommittee on Railroads, Pipelines, and Hazardous Materials**

**Hearing on “America Builds: Examining America’s Freight and Passenger Rail Network”
January 23, 2025**

Addendum – Chuck Baker Testimony, ASLRRA

Short Line Railroad Completed CRISI Project Examples

Chicago South Shore & South Bend Railroad (CSS)

FRA Project Name: Chicago South Shore & South Bend Rail Rehabilitation and Safety Improvement Project

CRISI Grant: \$2,831,705
Local Match: \$707,926 (20%)
Total Project Cost: \$3,539,631
Member/District: Rep. Rudy Yakym (IN-02), Rep. Frank Mrvan (IN-01)

The project replaced 7.5 miles of 90-lb rail with 115-pound rail on Kingsbury Industrial Lead, improving safety associated with the heavier rail, and increasing train speed on new section of track to improve car cycle times for customers.

“The CRISI project being done by CSS shows a commitment to safety and the growth of CSS customers located between Michigan City and Kingsbury. My company truly appreciates the project to help our company grow.” David Gelwicks, President – Hickman Williams Co.

Iowa Interstate Railroad (IAIS)

Project Name: Booneville Bridge Project

CRISI Grant: \$3,470,500
Local Match: \$3,470,500 (50%)
Total Project Cost: \$6,941,000
Member/District: Rep. Zach Nunn (IA-03)

The project replaced the 118-year-old Booneville Bridge over the Raccoon River, located approximately 15 miles west of Des Moines. The bridge carries over 42,000 carloads per year on the Class II Iowa Interstate Railroad’s (IAIS) Council Bluffs, Iowa, to Chicago, Ill., service. The bridge was in danger of being put out of service in the near future under previous conditions, which would result in costly and inefficient rerouting of traffic and economic disruption in Nebraska, Iowa, Illinois, and points beyond. The new bridge will be able to withstand increasingly common flooding events.

“The majority of the 8,000 carloads we ship go over that bridge and if that infrastructure was out, it would have a multi-million impact on the efficiency and cost-competitiveness of our business.” Nick Bowdish, CEO Elite Octane

Video of Completed Project – [here](#).

Iowa Interstate Railroad (IAIS)

Project Name: IAIS Continuous Welded Rail Upgrade

CRISI Grant: \$ 5,579,357

Local Match: \$ 6,291,615 (53%)

Total Project Cost: \$11,870,972

Member/District: Rep. Zach Nunn (IA-03), Rep. Randy Feenstra (IA-04)

The project is a capstone project to complete the replacement of jointed rail with modern continuous welded rail (CWR) on the IAIS between Council Bluffs and Des Moines, IA. The upgrade will replace the last 18.95 miles of jointed rail with CWR and allow for track speeds of 40 to 49 mph. As freight traffic grows on IAIS, the remaining 1950s-era Rock Island Railroad legacy jointed rail decreases the reliability and resiliency of the line by requiring slower speeds. Jointed rail has the propensity to have joint failures during Iowa's harsh winters creating hazards for maintenance of way employees and train crews. Replacing jointed rail will increase safety, lower maintenance costs, increase rail resiliency, and improve system and service performance by increasing train speeds. The project will allow IAIS to meet future freight demand for Nebraska, Iowa, and Illinois farmers, manufacturers, and ethanol refineries.

"Jointed rail on the IAIS mainline creates higher maintenance costs and leads to slower operating speeds and lower efficiency between Omaha and Des Moines for rail customers like my company. Replacing this rail will lead to a more resilient railroad which is important for the Iowa economy, and for the success of our business. Our business has made a sizeable investment in an ethanol plant where its viability is solely dependent on the long-term sustainability of the Iowa Interstate Railroad." Ryan Pellett, C.E.O., JD & Co.

Lake State Railway (LSRC)

FRA Project Name: Infrastructure Enhancement Program for Lake State Railway's Huron Subdivision

CRISI Grant: \$7,875,770

Local Match: \$8,197,230 (51%)

Total Project Cost: \$16,073,000

Member/District: Rep. Jack Bergman (MI-01)

The project rehabilitated 30.3 miles of track with 115-lb. continuous welded rail, tie and turnout renewal and crossing rehabilitation. This project allowed for elimination of 23.8 miles of excepted track which resulted in increased speed from 10 mph to 25 mph and the upgrade of 6 miles from 25 mph to 40 mph. These improvements allowed for the full use of the heavier 286-lb. railcars required by LSRC customers and Class I railroad interchange partners. The elimination of the aging and lighter 85-lb rail enhanced safety along the entire segment.

"Lake State Railway's service to our facility has allowed our operation to be cost competitive despite our remote location in relation to the majority of our customers and suppliers. The CRISI grant has allowed us to increase the railcar load capacity associated with the heavier 286-lb railcars, reducing our cost and helping ensure our long-term success." Jim Spens, Plant Manager Panel Processing, Inc.

Lancaster & Chester Railroad (L&C)**FRA Project Name: South Carolina Piedmont Freight Rail Service Improvement Program****CRISI Grant: \$ 8,752,185****Local Match \$ 4,712,715 (35%)****Total Project Cost: \$13,465,900****Member/District: Rep. Ralph Norman (SC-05)**

The project provided funding for the acquisition of three Tier IV locomotives, the rehabilitation of 46 miles and one bridge upgrade to allow for the handling of 286-lb. railcars. The project increased track speed from 10 mph to 25 mph, gave customers the ability to utilize 286-lb railcars and decreased locomotive emissions. The upgraded track resulted in the railroad attracting three new customers to the line.

“Over the last 11 years, Chester County has attracted over \$3 billion in new industrial development creating almost 4,000 new jobs. This massive amount of opportunity is a direct result of having the short line L&C railroad as our partner.” Alex Oliphant, City Council Member, Chester County, SC

Napoleon, Defiance & Western (NDW)**Project Name: NDW Safety Upgrade in Opportunity Zones Project****Grantee: Ohio Rail Development Corporation****CRISI Grant: \$4,112,452****Local Match: \$4,112,452 (50%)****Total Project Cost: \$8,224,904****Member/District: Rep. Martin Stutzman (IN-03), Rep. Bob Latta (OH-05), Rep. Marcy Kaptur (OH-09)**

The project upgraded approximately 10 miles of 80-lb. rail with 132 to 136-lb. rail, and replaced approximately 29,000 ties on 29 miles of rail between Woodburn, Indiana and Defiance, Ohio. The project was required to reduce the number of derailments previously occurring on this segment.

“The NDW provides transportation for our tomato paste from California to our facility saving us a lot of time and money versus going over the road. The rehabilitation also offers us new opportunities to move more materials by rail.” – Gavin Serrao, Cambell’s Soup Logistics Manager, Napoleon, OH

“This has been a railroad that’s needed a lot of investment for a long time. Every State DOT knows there are these railroads that can be so much more for the local economy than they are now and NDW brought the professionalism, the expertise, and the financial resources to make this project possible.” Matt Dietrich, Ex. Dir. Ohio Rail Development Commission

Video overview of project – [here](#).

Nebraska Kansas Colorado Railway (NKCR)

Project Name: Velocity Enhanced Rail Transportation Project

CRISI Grant: \$4,505,542

Local Match: \$4,505,542 (50%)

Total Project Cost: \$9,011,084

Member/District: Rep. Lauren Boebert (CO-04), Rep. Adrian Smith (NE-03)

The project installed approximately 42,595 ties, 15,990 tons of ballast, and resurfaced 562,848 track feet on the NKCR in western Nebraska and eastern Colorado. The project allows for removal of slow orders on approximately 106.6 miles of track and restores efficient operating speeds over most of the line. The improvements reduced overall trip times along the corridor by a minimum of four hours and reduced operating costs by reducing locomotive utilization and allowing for crews to make a round-trip along the line within one day.

"The Velocity project will be a major rehabilitation of the freight rail line from Sterling, CO, to Wallace, NE, focused on removing slow orders where track conditions force trains to slow to a crawl. This line is the only rail connection for many agricultural customers in western Nebraska and eastern Colorado."

U.S. Senator Deb Fischer (R-NE)

OmniTRAX Holdings Combined Short Lines

Project Name: Transportation Investments for Employment and Safety (TIES1)

CRISI Grant: \$37,364,504

Local Match: \$ 9,341,126 (20%)

Total Project Cost: \$46,705,630

Member/District: Rep. Sanford Bishop (GA-02)

The project replaced approximately 1,000 railroad ties per mile on 135 high-density track miles on three OmniTRAX short line railroads – Illinois Railway, Alabama & Tennessee River Railway, and Georgia & Florida Railway, which will help sustain current FRA track safety standards and maintain current timetable speeds. The project is estimated to reduce track-related accidents by 67%, saving \$11MM in losses, reduce locomotive utilization by 186,000 hours, eliminate 27 tons of NOx, 1 ton of PM2.5 and 4.5 tons of SO2. The project will eliminate the need for 16 subsequent tie spot replacement mobilizations saving \$43MM.

"Covia Holdings is a major supplier of elemental raw materials used in a variety of industries, including glass production and housing construction. The majority of shipments to Covia's customers throughout the U.S. are handled by railroads such as those managed by OmniTrax Rail Holdings. Covia supports the TIES Project [and] reasonably believes that TIES will improve safety on the Illinois Railway (IR) by replacing a simple yet essential element of safe railroad infrastructure: the wooden railroad tie. The IR's ability to service Covia's plants, uninterrupted, in Illinois is fundamental to Covia's daily operations."

Russell Montgomery, EVP/COO, Covia Holdings LLC

Red River Valley & Western Railroad

FRA Project Name: Rural Economic Preservation Through Rail Replacement

CRISI Grant: \$ 6,704,544
Local Match \$ 2,915,234 (30.3%)
Total Project Cost: \$ 9,620,778
Member/District: Rep. Julie Fedorchak, At Large

The Red River Valley & Western serves the southeast corner of the state of North Dakota, linking numerous rural agricultural shippers with the national rail system. The project replaced 14.5 miles of old jointed rail with continuous welded rail on between Independence and Oakes, North Dakota.

The project has resulted in a safer, dependable rail system that will maintain economic competitiveness for current shippers, and provides the capacity to meet the anticipated future demand with climate change pushing the grain industry and growing conditions northward.

“North Dakota is heavily reliant on railroads for the shipment of bulk commodities from our rural communities to their distant final destinations. A large portion of the grains produced in North Dakota are shipped over 1,200 miles by rail to Pacific Northwest port facilities at Seattle and Portland. North Dakota is therefore keenly interested in a safe, efficient, and reliable railroad network to provide value to the thousands of tons of bulk agricultural and energy products produced each year in our state. Preserving this vital rail network is essential for the economic development and sustainment in the rural communities served by short lines.” Commissioners Fedorchak, Kroshus, and Christmann, North Dakota Public Service Commission

Sierra Northern Railroad (SERA)

FRA Project Name: Sierra Northern Railway’s Consolidated Rail Infrastructure and Safety Improvement

CRISI Grant: \$ 17,415,000
Local Match \$ 18,300,000 (51.3%)
Total Project Cost: \$ 35,700,000
Member/District: Rep. Tom McClintock (CA-05)

Sierra Northern Railway (SERA) was challenged to add and manage current customers along the 55-mile-long Oakdale Division excepted track, built in 1897, servicing Riverbank, California in the Central Valley to Standard, California in the Sierra Nevada foothills. As excepted track, freight could move at no more than 10 mph along the route, taking 5 hours to transport freight from one end to the other. The project included replacing 20 miles of track with 115-pound rail, 90,000 railroad ties, and rehabilitating ten grade crossings.

The CRISI Grant transformed the operation, adding a 116-acre transload site for building manifest unit trans without causing gridlock along the active line, and improving delivery time from end to end by 250%. The increased throughput has enabled SERA to:

- Quadrupled carload business
- Add new customers – such as a new grainload shipper
- Reduce derailments

- Provided 30 new railroad jobs in the area
- Improved grade crossings and increase speed led to less time blocking motoring public
- Took an estimated 5,000 trucks of propane off local highways in year one

“The project began in 2019, and was completed a year and a half later. It has achieved everything we had anticipated, and more for the region. It has allowed the Sierra Northern dramatically increase carloads by better serving current customers, and by attracting new business to rail. We are especially proud of how this project has served our local community – taking trucks off the road, especially on narrow mountain roads, reducing time spent at railroad crossings, and providing more well-paying railroad jobs in our region.” Ken Beard, President, Sierra Northern Railway

Texas, Gonzales & Northern Railway (TXGN)

FRA Project Name: Harwood Interchange Improvement Project

CRISI Grant: \$2,223,768
Local Match: \$2,223,768 (50%)
Total Project Cost: \$4,447,536
Member/District: Rep. Michael Cloud (TX-27)

The project extended the siding at the interchange with the Union Pacific Railroad (UP) to 9,000 feet. The construction project included installing welded rail, steel ties, new modern power switches and the replacement of two aging wooden trestles enhanced drainage. With concrete culverts. The purpose of the project was to enhance capacity, improve service, enhance safe operations and help relieve highway congestion by moving shipments from truck to rail.

The project has allowed TXGN to accommodate UP’s Unit Train traffic simultaneously with our carload traffic which allowed for double capacity at interchange and a more fluid handoff with UP. Prior to the CRISI project completion UP could deliver only 1 of those trains while then waiting on TXGN to clear the interchange before a second train could arrive. The increased operating capacity has saved customers up to 24 hours of transit time. The expanded capacity has allowed TXGN to attract two new storage customers and annual carloads have increased from 3,726 in the year prior to the project to 4,634 carloads in the first year following project completion, a 24% increase. Most recently TXGN attracted a new major company that has just announced that they are building a new facility on the TXGN and will increase carloads by 700 annually.

Livestock Nutrition Center (LNC) is a leading feed manufacturing and grain handling company with facilities in 5 southwestern states, including a facility on the TXGN.

“The TXGN CRISI Grant Interchange Project has been a game-changer for our operations at Livestock Nutrition Center. By enabling the seamless handling of Unit Trains, this project has significantly improved the efficiency of our railcar traffic and opened the door for potential Unit Train movements into TXGN Railway. Without the enhancements brought by this project, we wouldn’t have the opportunity to consider expanding our location. This improvement has not only reduced turnaround times for our railcars, improving utilization and operational efficiency, but it has also positioned us to better serve our

customers and explore new growth opportunities. We are truly grateful for the partnership with TXGN Railway and the commitment they have shown to helping businesses like ours thrive." Maurice Janda, Fulfillment Manager, LNC

Twin Cities & Western Railroad Company (TCWR)

FRA Project Name: Joint Elimination - Rail Infrastructure and Safety Improvement

CRISI Grant: \$ 2,000,839

Local Match \$ 2,000,839 (50%)

Total Project Cost: \$ 4,001,678

Member/District: Michelle Fischbach (MN-7), Tom Emmer (MN-6), Kelly Morrison (MN-3)

The Twin Cities & Western Railroad upgraded 1.3 miles of track with slow orders – a local speed restriction imposed that is slower than the track’s normal speed limit due to deficient track – to high-speed welded rail. The replacement resulted in significantly improved safety, as measured by decreased year-over-year rail defects found via ultrasonic tests from 106 defects in 2017 to 48 defects in 2020 (after project). The upgraded rail also reduced annual tie replacement from 20,000 required in 2019, to 17,000 by 2021.

For customers, the improved quality of the rail contributed to a decrease in shipping time, decreases in delays due to mainline derailments, and maintaining efficient pricing due to decreased maintenance costs.

Subsequent CRISI grants in FY 20 and FY 21 replaced rail on an additional 2 and 1 miles of track respectively, leading to an overall reduction in point-to-point shipping time of 56% across the 3 miles, and a further reduction in tie replacement needs of 30%, to 12,000 ties per year.

“The Twin Cities & Western Railroad is a vital east-west railway that carries over 30,000 freight cars annually throughout the south-central and western Minnesota. Its rail lines are essential to the local and regional economy, connecting countless businesses and farmers to their commercial needs. Not only would these improvement ensure that our railways are safer and more reliable, but they would also minimize transportation costs for businesses, enhance Minnesota’s economic competitiveness, support the regional supply chain and reduce the need for future maintenance and repairs. Completing these updates would support the needs of countless Minnesotans by improving and modernizing the regional rail network.” Senator Amy Klobuchar, United States Senator, Minnesota

“Rail is one of the primary arteries of Minnesota commerce. This investment in the Twin Cities & Western Railroad Company will increase service, while also ensuring the safety of all those who live in communities along these vital transportation routes.” Representative Tom Emmer, MN-6